

## Message Text

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FM SECSTATE WASHDC

TO USNMR SHAPE IMMEDIATE

CINCEUR VAIHINGEN IMMEDIATE

S E C R E T STATE 005539

EXDIS MILITARY ADDEES HANDLE AS SPECAT EXCLUSIVE

FOLLOWING TELEGRAM FROM BONN DATED JANUARY 10, 1977  
SENT SECSTATE WASHDC, LISBON, NATO IS REPEATED TO YOU:  
QUOTE

S E C R E T BONN 00460

EXDIS

DEPARTMENT PLEASE PASS ACTION IMMEDIATE TO SECDEF  
WASHDC AND INFO IMMEDIATE TO UNSMR SHAPE AND CINC EUR  
VAIHINGEN.

MILITARY ADDEES TREAT AS SPECAT EXCLUSIVE.

E.O. 11652: GDS

TAGS: MASS, MPOL, NATO, PO, MILI, US, GW

SUBJECT: PORTUGUESE FORCE MODERNIZATION

REFS: (A) STATE 310763 DTG 240140Z DEC 76 (NOTAL)  
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(B) NATO 0067 DTG 071400Z JAN 77

(C) BONN 00217 DTG 051609Z JAN 77

(D) USNMR SHAPE DTG 072315Z JAN 77

BEGIN SUMMARY: IN ITS REPLY TO THE EMBASSY'S NON-PAPER  
CONCERNING PORTUGUESE FORCE MODERNIZATION (REFTEL A),

THE GERMAN DEFENSE MINISTRY (FMOD) HAS INDICATED WILLINGNESS TO SUPPLY SEVENTEEN M48A2 TANKS PLUS EQUIPMENT FOR THE ARTILLERY BATTALION. WHILE IT HAD NOT AS YET RECEIVED THE EQUIPMENT REQUEST PROVIDED BY CATARINO (REFTEL B), THE FMOD WILL PROBABLY BE SATISFIED NOW THAT ALL CONCERNED HAVE ONE AND THE SAME LIST. END SUMMARY.

1. THE GERMAN DEFENSE MINISTRY HAS GIVEN US FURTHER INFORMATION ABOUT THE GERMAN PAPER ON PORTUGUESE FORCE MODERNIZATION WHICH HAS BEEN APPROVED BY MINISTERS LEBER AND GENSCHER (REFTEL C). IT SHOWS A POSITIVE FRG VIEW TOWARDS PROVIDING SEVENTEEN M48A2 TANKS TO THE PORTUGUESE ARMY DURING 1977. THESE TANKS HAVE THE U.S. COMMUNICATIONS EQUIPMENT BUT WOULD REQUIRE UPGRADING OF ENGINE AND GUN. THE FRG POSITION REMAINS THAT THE U.S. SHOULD MAKE AND PAY FOR THOSE MODIFICATIONS WHICH ARE NECESSARY TO UPGRADE THE TANK TO AN M48A5. AS FAR AS OTHER MAJOR ITEMS ARE CONCERNED, THE FRG IS PREPARED TO PROVIDE ARTILLERY EQUIPMENT FOR THE BATTALION. OUR FMOD SOURCE DID NOTE, HOWEVER, THAT 155MM HOWITZERS HAD NOT BEEN ON EQUIPMENT LISTS WHICH HAD BEEN UNDER DISCUSSION RECENTLY.

2. AS OF JANUARY 10, THE GERMAN DEFENSE MINISTRY STILL HAD NOT RECEIVED THE EQUIPMENT LIST PROVIDED TO ITS DELEGATION TO NATO BY FIRST SECRETARY CATARINO OF THE PORTUGUESE DELEGATION (REF B). THUS, IT IS NOT CLEAR WHETHER THE FRG CONSIDERS THIS TO SATISFY THE GERMAN REQUIREMENT FOR AN OFFICIAL PORTUGUESE REQUEST FOR A SECRET

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SPECIFIC LIST OF MILITARY EQUIPMENT. HOWEVER, THE DEFENSE MINISTRY OFFICIAL WITH WHOM WE SPOKE INDICATED THAT THE FRG CONCERN WAS NOT OVER PROTOCOL BUT RATHER TO INSURE THAT EVERYONE WAS DEALING WITH THE SAME LIST OF EQUIPMENT. THUS, HE FELT THAT FRG CONCERNS IN THIS AREA HAD PROBABLY BEEN MET.

3. AS NOTE REFTTEL B, THE FRG WISHES TO DISCUSS PORTUGUESE FORCE MODERNIZATION BILATERALLY WITH THE U.S. IN BRUSSELS. IT FEELS THAT IT WOULD BE MOST APPROPRIATE IF THE U.S. AND FRG REPS ON THE AD HOC GROUP SHOULD LEAD OUR RESPECTIVE DELEGATIONS WHO WOULD BE ASSISTED BY EXPERT ADVICE FROM CAPITALS AS REQUIRED. ONCE THE U.S. AND FRG HAD AGREED AS TO OUR RESPECTIVE CONTRIBUTIONS, THE OTHER MEMBERS OF THE AD HOC GROUP SHOULD BE BROUGHT INTO THE PICTURE.

4. AS FAR AS THE OTHER SPECIFIC QUESTIONS POSED IN THE

U.S. NON-PAPER (REFTEL A) ARE CONCERNED, THE FRG'S  
PRELIMINARY REACTION IS AS FOLLOWS:

THE G PROPOSES TO PROVIDE TRAINING ASSISTANCE FOR  
WHATEVER UNITS ARE EQUIPPED WITH GERMAN WEAPONS: I.E.,  
THE ARTILLERY BATTALION. WHO SHOULD PROVIDE TRAINING  
FOR THE TANK COMPANY IS A QUESTION WHICH THE FRG WISHES  
TO DISCUSS WITH THE U.S. SINCE BOTH NATIONS WILL PROBABLY  
BE INVOLVED IN PROVIDING THE TANKS.

THE FRG HAS NO OBJECTION TO THE SUGGESTIONS CON-  
TAINED IN THE U.S. NON-PAPER CONCERNING WHAT EQUIPMENT  
OTHER NATO ALLIES MIGHT BE ASKED TO SUPPLY TO THE  
PORTUGUESE MILITARY. HOWEVER, ITS OWN POSITION HAS NOT  
BEEN WORKED OUT IN THIS KIND OF DETAIL. IN GENERAL, ITS  
POSITION REMAINS THAT AS MANY ALLIES AS POSSIBLE SHOULD  
BE ASKED TO CONTRIBUTE IN ORDER TO EMPHASIZE THAT THIS  
IS A PROGRAM OF NATO ASSISTANCE. IN ORDER TO FURTHER  
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THIS GOAL, THE FRG HATAKEN. THIS POSITION OFTEN  
DURING BILATERAL DISCUSSIONS WITH OTHER COUNTRIES.

AS FAR AS ASSISTANCE TO THE PORTUGUESE NAVY IS CON-  
CERNED, THE FRG AGREES WITH SACEUR THAT PRIORITY  
SHOULD BE GIVEN TO THE BRIGADE AND ITS ASSOCIATED AIR  
ELEMENTS RATHER THAN ASSISTING THE PORTUGUESE NAVY.  
GIVEN THE DIFFERENCE IN THE ROLE OF THE GERMAN NAVY AND  
THAT OF THE PORTUGUESE, THE FRG HAS NO REPEAT NO PRESENT  
INTENTION OF PROVIDING ASSISTANCE TO THE PORTUGUESE IN  
THE NAVAL FIELD.

THE FRG HAS NO FIRM POSITION CONCERNING ASSIS-  
TANCE TO THE PORTUGUESE IN ESTABLISHING VIABLE LOGISTICS,  
MAINTENANCE AND SUPPLY SYSTEMS. IT EXPECTS THAT THE U.S.  
AND FRG CHIEFS OF THE ARMY SURVEY TEAMS WHICH VISITED  
PORTUGAL THIS SUMMER WILL BE INVITED BACK TO PORTUGAL AT  
THE END OF JANUARY. AT THAT TIME, THE PORTUGUESE WILL  
PRESUMABLY REPLY TO THE SUGGESTIONS LEFT BY OUR  
SURVEY TEAMS. IN PRINCIPAL, THE FRG IS PREPARED TO  
ASSIST. HOWEVER, ANY SUCH PROGRAM SHOULD BE CAREFULLY  
COORDINATED BY THE U.S. AND FRG AND NOT INVOLVE MANY  
OTHER DONOR NATIONS IN ORDER TO AVOID LEAVING PORTUGAL  
WITH A HYBRID LOGISTICS SYSTEM. THE FRG IS ALSO VERY  
CONCERNED LEST PORTUGUESE SENSITIVITIES BE BRUISED.  
THUS, IT FEELS IT WOULD BE MUCH BETTER IF THE PORTUGUESE  
WERE TO REQUEST ASSISTANCE IN THIS FIELD.

THE SAME CONCERN FOR PORTGUESE SENSITIVITIES IS  
APPARENT IN THE FRG'S CONSIDERATION OF A PROGRAM

OF PROVIDING MANAGEMENT ASSISTANCE TO THE PORTUGUESE ARMED FORCES: E.G., HELP IN ESTABLISHING A GENERAL STAFF. WHILE THE FRG SEES THE NECESSITY FOR PROVIDING THE PORTUGUESE WITH SUCH ASSISTANCE, IT FEARS THAT SOME PORTUGUESE ELEMENTS COULD REACT BADLY TO WHAT MIGHT BE CONSIDERED AS "OUTSIDE INTERFERENCE." THUS,  
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THE FRG IS AWAITING A SPECIFIC PORTUGUESE REQUEST BEFORE CONSIDERING SUCH A PROGRAM AND WISHES TO AVOID ANY IMPRESSION OF FORCING THIS KIND OF ASSISTANCE UPON THE GOP.

5. THE NEXT STEP FOR THE FRG IS TO PREPARE AN INTER-MINISTERIAL (FMOD, FOREIGN OFFICE AND MINISTRY OF FINANCE) PAPER ON MILITARY AID TO PORTUGAL. THIS PAPER MUST BE APPROVED BY CHANCELLOR SCHMIDT BY THE END OF JANUARY IN ORDER FOR SUCH AN AID PACKAGE TO BE INCLUDED IN THIS YEAR'S BUDGET. OUR FMOD SOURCE FELT THERE WOULD BE NO PROBLEM IN MEETING THIS DEADLINE.

6. CONCLUSION. WE VIEW THESE DEVELOPMENTS AS BOTH POSITIVE AND GOING SOME WAY IN MEETING GENERAL HAIG'S CONCERNS EXPRESSED IN REFTEL C. LIKE GENERAL HAIG, WE ARE CONCERNED THAT THE PORTUGUESE AID PROGRAM IS BEING DEVELOPED ON A PIECEMEAL BASIS. NOT ONLY MIGHT THIS ERODE FUNDS AVAILABLE FOR THE BRIGADE, BUT IT ALSO COULD LEAD TO A SITUATION WHERE THE GERMAN CONTRIBUTION WAS SO SMALL AS PARTIALLY TO NEGATE THE CONCEPT OF A NATO (AS OPPOSED TO UNILATERAL U.S.) MILITARY AID PROGRAM. STOESEL UNQUOTE KISSINGER

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